

BEFORE THE  
UNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

Competitive Product Prices  
Parcel Return Service Contract 6  
(MC2015-41)  
Negotiated Service Agreement

Docket No. CP2015-53

PUBLIC REPRESENTATIVE COMMENTS ON  
NOTICE OF UNITED STATES POSTAL SERVICE OF CHANGE IN PRICES  
PURSUANT TO AMENDMENT TO PARCEL RETURN SERVICE CONTRACT 6

(December 12, 2016)

The Public Representative hereby provides comments pursuant to the Commission notice initiating this docket.<sup>1</sup> In that notice, the Commission established the above referenced docket to receive comments from interested persons, including the undersigned Public Representative, on a Notice of United States Postal Service of Change in Prices Pursuant to Amendment to Parcel Return Service Contract 6.<sup>2</sup> The Postal Service filed a redacted public version of the contract amendment and a non-redacted version of the contract amendment as a non-public document. Supporting financial documentation was provided under seal in response to a Chairman's Information Request.<sup>3</sup>

The amendment adds further growth incentives and updates contract price tables. The effective date of the amendment is two business days following the day on which the Commission issues all necessary regulatory approvals.

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<sup>1</sup> Notice Initiating Docket(s) for Recent Postal Service Negotiated Service Agreement Filings, December 5, 2016.

<sup>2</sup> Notice of the United States Postal Service of Change in Prices Pursuant to Amendment to Parcel Return Service Contract 6, December 2, 2016.

<sup>3</sup> Responses of The United States Postal Service to Chairman's Information Request No. 1, with Portions Filed Under Seal, December 9, 2016.

**COMMENTS**

The Public Representative has reviewed the contract as amended and financial model filed under seal. Based upon that review, the Public Representative concludes that the Amendment to Parcel Return Service Contract 6 should be approved. It appears that the contract as amended should continue to generate sufficient revenues to cover costs and thereby satisfies the standards of 39 U.S.C. § 3633(a).

*Requirements of 39 U.S.C. § 3633.* Pursuant to 39 U.S.C. § 3633(a), the Postal Service's competitive prices must not result in the subsidization of competitive products by market dominant products; ensure that each competitive product will cover its attributable costs; and, ensure that all competitive products collectively contribute an appropriate share of the institutional costs of the Postal Service. Based upon a review of the financial model, it appears the prices as amended should continue to generate sufficient revenues to cover costs during the next year. The Commission will have an opportunity to review the financial results for the contract as amended for compliance with 39 U.S.C. § 3633(a) in the Annual Compliance Determination.

The Public Representative respectfully submits the foregoing comments for the Commission's consideration.

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